

<b>Institution:</b> University of Manchester		
<b>Unit of Assessment:</b> 17 (Business and Management)		
<b>Title of case study:</b> Influencing International and National Employment Policies to Promote Inclusive Labour Markets		
<b>Period when the underpinning research was undertaken:</b> 2009-2019		
<b>Details of staff conducting the underpinning research from the submitting unit:</b>		
<b>Name:</b>	<b>Role(s) (e.g. job title):</b>	<b>Period(s) employed by submitting HEI:</b>
Jill Rubery	Professor of Comparative Employment Systems	01/8/1989 to present
Aristea Koukiadaki	Lecturer in Employment Studies/ Honorary RF in AMBS; Senior Lecturer	01/09/2014 to present
Isabel Tavora	Lecturer/Senior Lecturer in Human Resource Management	01/08/2009 to present
Miguel Martinez-Lucio	Professor of International Human Resource Management	01/08/2007 to present
Damian Grimshaw	Professor of Employment Studies	01/10/2004 to 31/12/2019
Mathew Johnson	Research Associate; Lecturer in Human Resource Management	01/09/2015 to 31/08/2019; 01/09/2018 to present
Arjan Keizer	Senior Lecturer in International Human Resource Management	01/08/2010 to present
<b>Period when the claimed impact occurred:</b> August 2013-2019		
<b>Is this case study continued from a case study submitted in 2014?</b> N		
<b>Section B</b>		
<b>1. Summary of the impact</b>		
<p>Researchers at the Work and Equalities Institute (WEI) have undertaken extensive comparative analyses of complementary legal and collective interventions that promote inclusive labour markets, including minimum wage schemes, extending collective bargaining, extending the rights of precarious workers, and actions to close gender pay gaps. Their research has provided an evidence base that has had three main impacts at national and international levels, informing employment debates and policies. Specifically, the work has: (1) influenced the guidance produced by several high profile international policy bodies, (2) shaped the national policies of multiple countries, and (3) provided evidence and arguments used by European trade unions in their interactions with EU and national policymakers.</p>		
<b>2. Underpinning research</b>		
<p>WEI research has generated important evidence-based support for developing and protecting more inclusive labour markets through complementary legal protections and collective bargaining between employers and employees. Such practices are known to have positive benefits for the workforce and can help to sustain more productive societies. A common policy view is that legal and collective regulation creates labour market divisions and inequality. The WEI research findings challenge this view and provide underpinning support for policies that extend rather than contract employment rights and protections in order to create fairer labour markets. This approach has been applied to specific issues of low pay, gender pay inequality and precarious work (work that is insecure, unprotected and often not well paid). A key theme is that specific policies to address these issues must be complemented by more general policies to promote transparent and inclusive employment systems. For example, progress in reducing low pay or the gender pay gap is easier where there is lower overall wage inequality.</p> <p>This evidence base emerged from WEI-coordinated European comparative projects on: minimum wages (2010-11) [1]; collective bargaining in manufacturing under austerity (2014-15) [2 and 3]; and precarious work (2015-16) [4]. All these projects involved rich comparative assessments</p>		

based on documentary and original evidence, including extensive interviews and case studies. The research revealed negative impacts for both the economy and the workforce when regulation and social dialogue were weakened and found more positive effects when inclusivity was retained or strengthened. The conceptual frameworks to underpin the policy relevance of the research were further developed through International Labour Organization (ILO)-commissioned reports on the business case for social dialogue [5] and closing the gender pay gap [6]. Key findings from the research include the following.

*Minimum wages:* A comparative analysis of the impact of minimum wages across six European countries, involving secondary data analysis and additional country and sectoral case studies, provided new empirical evidence on two main themes: the scope for complementarities between legal minimum wages and collective wage bargaining and the impact of minimum wages on pay equality, particularly gender pay equality [1].

*Collective bargaining under austerity:* A major cross-national study analysed data from seven European countries that were heavily affected by the financial crisis and required by the EU to restrict collective bargaining and extend employer rights to bypass collective agreements [2]. The findings revealed that the policy outcomes were to weaken social dialogue and narrow collective bargaining coverage. The study highlighted the costs of dismantling more coordinated systems of labour relations and regulation, namely, lower wages, longer working hours, more inequality and less social cohesion for workers. The effects for employers included a more politicised and fragmented system of employee voice, although some were happy to be able to bypass collective regulation. Follow up studies undertaken in Greece [3][2] and Portugal [cited in G] confirmed these effects. Likewise, the ILO-commissioned research on the business case for social dialogue [4] used the resultant evidence of the economic and social benefits of joint regulation to call for a more coordinated system of collective bargaining supported by legal extensions.

*Precarious work:* A six EU country study of gaps in employment and social protection for people in precarious work provided evidence on the scope for legal measures and social dialogue in reducing those gaps and creating more inclusive labour markets [5]. The resultant framework was subsequently used in European Parliament-commissioned research on precarious employment [A].

*Closing the gender pay gap:* Drawing on insights from the above projects and the longstanding WEI research into gender pay issues, a further study developed a new conceptual framework for closing the gender pay gap [6]. It identified how developing labour markets that are more inclusive, more egalitarian, and more transparent is a prior condition for effective policies to close the gender pay gap.

### 3. References to the research

- [1] **Grimshaw, D.**, Bosch, G., and **Rubery, J.** (2013) 'Minimum Wages and Collective Bargaining: What Types of Pay Bargaining Can Foster Positive Pay Equity Outcomes?' *British Journal of Industrial Relations*, **52**(3), pp.470-498. [Doi: 10.1111/bjir.12021](https://doi.org/10.1111/bjir.12021)
- [2] **Koukiadaki, A.**, **Távora, I.** and **Lucio, M. M.** (2016) 'Continuity and change in joint regulation in Europe: Structural reforms and collective bargaining in manufacturing', *European Journal of Industrial Relations*, **22**(3), pp. 189–203. doi: [10.1177/0959680116643204](https://doi.org/10.1177/0959680116643204).
- [3] **Koukiadaki, A** and **Grimshaw, D** (2016), *Evaluating the Effects of the Structural Labour Market Reforms on Collective Bargaining in Greece*. Conditions of Work and Employment Series, vol. 85, International Labour Organization [2226-8944 \[ISSN\]](https://doi.org/10.1177/0959680116643204)
- [4] **Grimshaw, D.** **Koukiadaki, A.** and **Távora, I.** (2017) *Social Dialogue and Economic Performance: What Matters for Business - A review* Conditions of Work and Employment Series, vol. 89, Geneva: International Labour Office [2226-8944 \[ISSN\]](https://doi.org/10.1177/0959680116643204)
- [5] **Rubery, J.**, **Grimshaw, D.**, **Keizer, A.** and **Johnson, M.** (2018). Challenges and contradictions in the 'normalising' of precarious work. *Work, Employment and Society*, **32**(3), pp.509-527. <https://doi.org/10.1177/0950017017751790>
- [6] **Rubery, J** and **Koukiadaki, A** (2016) *Closing the Gender Pay Gap: A Review of the Issues, Policy Mechanisms and International Evidence*. Gender, Equality and Diversity

Branch Geneva, International Labour Organization. [978-92-2-131295-6 \[ISBN\]](#) \* SAGE Best Paper Prize 2019, *Work Employment and Society*

**Koukiadaki A** (PI), European Commission (1/12/2013-31/01/2015), “The impact of industrial relations reforms on collective bargaining in the manufacturing sector”, GBP270,000, with GBP96,000 awarded to UoM

**Grimshaw, D.** (PI), European Commission (01/10/2009-31/03/2011), “Minimum Wage Systems and Changing Industrial Relations in Europe”. GBP190,000, with GBP52,000 awarded to UoM

**Grimshaw, D.** (PI), European Commission (01/12/2014-31/11/2016), “Reducing Precarious Work through Social Dialogue in Europe”, GBP360,000 to UoM

#### 4. Details of the impact

##### Context

The WEI research has influenced the thinking and policies of international policymaking bodies (European Parliament, ILO), national policy actors (Greek government, South African policy makers, Portuguese government) and international trade union organisations (European Trade Union Institute (ETUI), European Trade Union Confederation (ETUC)).

##### Pathway to impact

The WEI team has longstanding relationships with the ILO and the ETUI. For example, Rubery has been a member of the ILO’s biennial research conference steering committee since 2011 and a member of the ETUI advisory board from 2010 to 2018. Since 2013 these links have strengthened. Grimshaw, Rubery, Koukiadaki and Tavora have all individually, as well as collectively, been commissioned to undertake research for the ILO. Research has been disseminated through conferences, seminars and by WEI researchers providing training to the ILO. Grimshaw and Rubery made a one-week ESRC-funded visit to the ILO in 2015. The fact that in 2018 Grimshaw was appointed as the ILO’s research director further testifies to these connections, although the impact reported here precedes and is independent of his appointment. ETUI links have been strengthened through invited publications, two joint book projects and invitations to Koukiadaki to present evidence to the Council of Europe, contribute to a ETUC training event in Warsaw on collective bargaining and to join an ETUI employment lawyers’ advisory network on Transnational Trade Union Rights.

##### Reach and significance

The ILO, a member of the UN system, has 187 member countries and is responsible for setting international labour standards and shaping international debates and practices on employment. The European Parliament shapes EU policy-making for 28 EU member states and the ETUC represents 45,000,000 workers and 90 trade unions supported by its research arm the ETUI.

##### i) Impact on international policy bodies

###### European Parliament

Koukiadaki’s work on temporary contracts and precarious work for the European Parliament (EP) Committee on Petitions was instrumental in the Committee’s decision to put forward an oral question and resolution to the EP on the topic of precariousness and the abuse of fixed term contracts **[text removed for publication]**. The resolution was adopted by the European Parliament in May 2018. **[text removed for publication]**

###### The ILO

The WEI research on minimum wages, precarious work and the gender pay gap has been extensively utilised by the ILO in its flagship publications, including its biennial global wage reports, its 2016 non-standard work report, and its centennial year gender equality report [B]. According to the ILO’s senior wage specialist [B], WEI research on how minimum wages [1] informed guidance concerning how minimum wages and collective bargaining can be more effective when used together in the ILO’s *Minimum Wage Policy Guide* [C]. This guide has been “used to inform and train policymakers on minimum wage policies in a very large number of countries including recently Bulgaria, Cambodia, Costa Rica, Ethiopia, India, Indonesia, or Vietnam, to name just a few” [B].

Likewise WEI research informed guidance on how minimum wages influence gender pay equality in the ILO's 2013 guide, *Equal Pay: An introductory guide*. The guide clarified the ILO's Equal Remuneration Convention, 1951 (No. 100) and provided the ILO's guidance to the 173 ratifying countries on how the Convention should be applied in practice [B]. It has been downloaded 2,200 times on a third party website.

WEI research on collective bargaining [2] led to three ILO commissioned reports that influenced international and national policymaking. First, a background report [4] evidencing how social dialogue contributes to economic performance fed into the new Global Deal, an initiative of the Swedish government in partnership with the ILO and the OECD aimed at promoting decent work and inclusive growth through social dialogue. According to the senior specialist in industrial relations at the ILO [D], the report provided the basis for a thematic brief [E] for the Global Deal on the business case for social dialogue, which was presented to the ILO, the OECD and United Nations General Assembly in September 2017. The World Economic Forum informed the Global Deal initiative by letter that this was their most successful event at the United Nations General Assembly (for example the video of the event had been watched 500,000 times). Second, a report [3] evaluating the effects of the crisis-related reforms on Greek collective bargaining constituted one of the main ILO inputs to the consultation on a review of the Greek regulatory framework mandated by a Eurosummit in July 2015 and was used for recommendations to Greek policy-makers. Third, in 2018 Tavora was commissioned to review developments on collective bargaining since the economic crisis for a report on decent work in Portugal [F] that informed the Portuguese government in its revision of the Portuguese Labour Code.

Overall, the senior ILO specialist in wages [B] attests that WEI research outlined above constitutes *“a very substantial, significant and sustained contribution to the understanding of how legal and collective measures promote decent work and inclusive labour markets. These issues are at the core of the work of the ILO, and the University of Manchester contribution has supported our efforts both in our global role in promoting labour standards and complementary employment policies and our specific work at the member state and region level in translating these policies into specific recommendations and policy advice”*.

## ii) Impact on national policymakers

### South African minimum wage

From 2013 the Congress of South African Trade Unions (COSATU) led a campaign to introduce a national minimum wage, which was finally implemented in January 2019. A key leader of that campaign by COSATU attests [G] that WEI research helped trade union associated actors to make the case that a national minimum wage could complement rather than substitute for collective bargaining and contribute to gender pay equality. This impact is made clear in extensive references to WEI research in the National Minimum Wage Panel's Report to the Deputy President of South Africa [H] and by the ILO's senior wage expert [B] who was himself a member of the Commission to consider implementing a national minimum wage.

### Collective Bargaining in Greece

The WEI ILO report on collective bargaining in Greece [3] was not only used directly in discussions between the Greek government and EU and IMF policymakers but also fed directly into the decision to reinstate extension mechanisms for collective bargaining agreements in May 2018. According to the former Minister for Labour, Social Security and Social Solidarity in Greece [I] the *“work by Dr Koukiadaki and her colleagues assisted us greatly in the development and implementation of relevant policy proposals and legislation.”*

### Collective Bargaining in Portugal

Tavora's research on changes in collective bargaining contributed to a report on decent work in Portugal, as acknowledged in the ILO report on decent work in Portugal [F]. The ILO's senior industrial relations specialist attests [D] that the ILO developed this report with considerable involvement from the government of Portugal. A key message of the ILO report was that a reinstatement of collective bargaining and well-protected employment was important to safeguard social cohesion and to speed up a return to economic growth. The report informed legal changes to collective bargaining in a new labour code that was introduced by the Portuguese government

and published in September 2018. The code included new rules to prevent the expiration of agreements and the strengthening of the favourability principle. The ILO recognises the new labour code as being consistent with the key messages of the report for which Tavora provided important material [D].

### iii) Impact on international trade unions: The ETUC and ETUI

The WEI research both on collective bargaining under austerity and on precarious work provided important new evidence and arguments to support the work of the ETUI in shaping employment policy debate in Europe. As the Research Director for the ETUI attested [J], “*the research strengthened the evidence base on which the ETUI was able to draw to challenge the then dominant view that these measures were having positive impacts on the labour markets and industrial relations systems of the countries*”. For example, the WEI research on segmentation and precarious work that contributed to an ETUI book enabled the ETUI to support the ETUC in its work as the lead social partner for safeguarding and promoting workers’ interests in the European Union, specifically when challenging the notion that employment deregulation promotes labour market inclusion [J]. The research director stated that the WEI “*assisted the ETUI to support the ETUC in providing theoretical and empirical arguments to underpin discussions with EU and national policy makers (or other stakeholders) on better forms of labour market policies*” [J].

## 5. Sources to corroborate the impact

[A] [text removed for publication]

[B] Testimonial from ILO Senior Economist, Wage Specialist, 20.01.20

[C] ILO (2016) *Minimum Wage Policy Guide* ILO: Geneva  
[https://www.ilo.org/global/docs/WCMS\\_508566/lang--en/index.htm](https://www.ilo.org/global/docs/WCMS_508566/lang--en/index.htm)

[D] Testimonial from ILO senior industrial relations’ expert, 18.02.20

[E] ILO/OECD (2017) Thematic Brief: Achieving Decent Work and Inclusive Growth. The Business Case for Social Dialogue. <http://www.theglobaldeal.com/wp-content/uploads/2017/09/Thematic-Brief-Achieving-Decent-Work-and-Inclusive-Growth-The-Business-Case-for-Social-Dialogue-2.pdf>

[F] ILO (2018) *Decent work in Portugal 2008–18: From crisis to recovery* Geneva: ILO  
[https://www.ilo.org/global/publications/books/WCMS\\_646867/lang--en/index.htm](https://www.ilo.org/global/publications/books/WCMS_646867/lang--en/index.htm)

[G] Testimonial from former strategies coordinator for the Congress of South African Trade Unions, 19.11.19

[H] National Minimum Wage for South Africa 2016 recommendations on policy and implementation National Minimum Wage Panel Report to the Deputy President  
<http://www.treasury.gov.za/publications/other/NMW%20Report%20Draft%20CoP%20FINAL.PDF>

[I] Testimonial from former Greek Minister of Labour, Social security and social solidarity

[J] Testimonial from former Research Director of the European Trade Union Institute, 20.10.19.